Income Support Levy Act 2013

There is hereby imposed an Income Support Levy for the purposes herein after appearing;

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ACT

to provide for charge and collection of Income Support Levy

WHEREAS it is desirable to provide financial assistance and other social protection and safety net measures to economically distressed persons and families;

AND WHEREAS under the principles of policy as given in the Constitution of the Islamic Republic of Pakistan, the State is obliged to promote social and economic well-being of the people and to provide basic necessities of life;

AND WHEREAS it is expedient to provide for financial resources for running an income support fund for the economically distressed persons and their families through a Levy to be called Income Support Levy;
It is hereby enacted as follows:-

1. **Short title, extent and commencement.-**

(1) This Act may be called the Income Support Levy Act, 2013.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. **Definitions.-**

(1) In this Act, unless the context otherwise requires –

(a) **"Levy"** means the Income Support Levy leviable or payable under this Act;

(b) **"net moveable wealth"** means the amount by which the aggregate value of the moveable assets belonging to a person as declared in the wealth statement for the relevant tax year, is in excess of the aggregate value of all the liabilities owed by that person on the closing date of the tax year.

Explanation.- For the purpose of this clause,-

(i) where liability claimed relates wholly and exclusively to an immovable asset, it shall not be claimed and allowed while computing the net moveable wealth. However, where the liability claimed relates wholly and exclusively to a moveable asset, it shall be claimed and allowed as a straight deduction while computing net moveable wealth; and

(ii) where the gross wealth of a person, declared in the wealth statement includes both moveable and immoveable assets and the nature of assets to which the liability relates is not determinable, the liability to be allowed while determining the net moveable wealth shall be calculated by the following formula:-

$(A / B) \times C$

Where –

A is the gross value of moveable assets;
B is the gross value of both moveable and immoveable assts; and
C is the gross value of debts owed;

(c) **"Officer of Inland Revenue"** means the Officer of Inland Revenue as defined under clause (38A) of section 2 of the Ordinance;
(d) **"Ordinance"** means the Income Tax Ordinance, 2001 (XLIX of 2001);
(e) **"person"** means an individual;
(f) **"prescribed"** means prescribed by the rules made under this Act;
(g) **"tax year"** means the tax year as defined in clause (68) of section 2 of the Ordinance; and
(h) **"wealth statement"** means a wealth statement required to be filed under section 116 of the Income Tax Ordinance, 2001.

(2) All other words and impressions used, but not defined herein, shall have the same meaning as is assigned to them under the Ordinance.

3. **Charge of Levy.-**
Subject to the provisions contained in this Act, there shall be charged for every tax year commencing on and from tax year 2013 a Levy, in respect of value of net moveable assets held by a person on the last date of the tax year at the rate specified in section 9 and in the manner specified hereunder.

4. **Time and manner of payment of Levy.-**
A person who is liable to pay the Levy under this Act shall pay the Levy along with wealth statement.

5. **Assessment of Levy.-**
The Officer of Inland Revenue shall, by an order in writing, determine the Levy payable, and shall serve upon the person a notice of demand specifying the sum payable and the time within which it shall be paid and thereupon such sum shall be paid to such account and in such manner as may be prescribed, within the time specified in the notice.

6. **Default surcharge.-**
Without prejudice to any liability under any other law for the time being in force, where a person fails to pay Levy as provided under section 4 or the levy so paid is less than the amount payable, he shall be liable to pay default surcharge at the rate of sixteen per cent per annum on the amount not paid or the amount by which the Levy paid falls short of the amount payable, calculated from the date it was payable to the date it is paid or the date of an order under section 5, whichever is earlier.

7. **Recovery of Levy.-**
The provisions of the Ordinance shall, so far as may be practicable, apply to the collection of Levy under this Act as they apply to the collection of tax under the Ordinance.

8. **Appeals, revisions and rectifications.-**

The provisions of the Ordinance shall, so far as may be practicable, apply to an appeal against, or revision or rectification of, an order under this Act as they apply to an appeal, revision or rectification under the Ordinance.

9. **Rate of Levy.-**

The rate of levy payable under this Act shall be 0.5% of the net moveable wealth exceeding one million rupees.

10. **Power to make rules.-**

The Federal Board of Revenue may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.